

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Energy Department – Mobilization of Funds of Rs.2000 crores by private placement of A.P. Power Bonds through A.P. Power Finance Corporation Limited, Hyderabad - Unconditional and irrevocable Government Guarantee with the Budgetary support - Permission accorded - Orders - Issued.

ENERGY (POWER.III) DEPARTMENT

G.O.Ms.No. 26

**Dated: 02-06-2010.
Read the following:-**

1. G.O.Ms.No.134, Energy (Power.III) Department, dated 28.10.2006.
2. From the Secretary to Govt., Finance Department, Letter No. Lr. No.1648-A/326/A2/W&M/2010, Dated 26.03.2010.
3. From the Managing Director, APPFCL, Hyderabad, Letter No.APPFCL/Power Bonds/D.No.439,Dated 26.03.2010.

ORDER:

Orders were issued in the G.O. 1st read above, permitting the Managing Director, A.P. Power Finance Corporation Limited, to raise funds of Rs.500 Crores by private placement of A.P. Power Bonds duly according Unconditional and irrevocable Government Guarantee for the said bonds. The said Bonds are yet to be issued by the Managing Director, APPFCL, Hyderabad.

2. Government have proposed in the reference 2nd read above, to raise funds of Rs.2000 Crores by private placement of Bonds through A.P. Power Finance Corporation Limited.

3. The Managing Director, APPFCL in the reference 3rd read above, has informed that, the Power Bonds to extent of Rs.500 crores for which Government Guarantee has been accorded in the G.O. 1st read above, are yet to be issued and requested the Government to accord Unconditional and Irrecoverable Government Guarantee for the proposed borrowing programme by issue of Bonds of Rs.1500 Crores in addition to Rs.500 crores and interest thereon.

4. The Government after careful consideration of the matter, hereby accord permission to the Managing Director, APPFCL for mobilization of the funds of Rs.2000 Crs. by private placement of A.P. Power Bonds including Rs.500 crs. already permitted in the .GO. 1st read above with the following terms and conditions:-

- i] Unconditional and irrevocable Government Guarantee for servicing of the proposed Bonds with name & style of "AP Power Bonds" with budgetary support;
- ii] Since, liability pertains to Government of Andhra Pradesh, not to charge Guarantee Commission for Government Guarantee.
- iii] The Guarantee shall be in force until all the bonds issued by the APPFCL or its successor entities pursuant to the above are redeemed.

5. This order issues with the concurrence of Finance (DMC) Department vide their U.O.No.12227/107/DMC/2010, Dt.20-5-2010.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SUTIRTHA BHATTACHARYA
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Managing Director, A.P. Power Finance Corporation Limited, Hyderabad.
The Finance (DMC)/(W&M) Department.
The Accountant General, A.P. Hyderabad.
The Pay & Accounts Officer, Hyderabad.
The Deputy Pay and Accounts Officer, Secretariat Branch.
[C.No.2354/Power.III(2)/2010]
SF/SCs

//Forwarded:: By Order//

SECTION OFFICER